

# You Have a DNR Recreation Grant, Now What?



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# PART ONE

## Project Agreements



# Michigan Natural Resources Trust Fund

## Timeline:

**December** Board Recommendations

**Winter** Board Recommendations introduced to the Legislature

**Spring** Public Act passed by Legislature & signed into law by Governor

**Spring** Project Agreements Issued to Grantees in MiRecGrants



# Land and Water Conservation Fund

## Timeline:

<b>December</b>	Director makes recommendations
<b>Winter</b>	Applicants prepare documents for the State of Michigan Application to the National Park Service
<b>Spring</b>	National Park Service reviews and approves all State of Michigan Applications from Local Units and DNR
<b>Summer</b>	Project Agreements issued to Grantees in MiRecGrants





# Land and Water Conservation

## National Park Service Application:

- Proposal Description & Environmental Screening Form (PDESf)
- Letter of Effect from the Michigan State Historic Preservation Office (SHPO)
- Cost Estimate



# Recreation Passport

## Timeline:

**December** Director Recommendations

**Winter** Project Agreements issued to Grantees in MiRecGrants







# Before Project Agreements are Issued

## What can I do now?

1. Prepare the **Boundary Map** and **Legal Description** for approval by your Grant Coordinator
2. Draft **resolution** for board or council adoption
3. Retain a **Prime Professional** for the project
4. Development
  - Prepare **plans, specifications and bid documents**
  - Secure all **permits** and regulatory approvals
5. Acquisition
  - Prepare **40-Year Title History**
  - Prepare **Environmental Due Diligence**





# Before Project Agreements are Issued

What *can't* I do now?

**1. Development:**

- Advertise to bid the project
- Hire any contractors
- Order materials or make any purchases from vendors
- Do any work on the project

**2. Acquisition:**

- Begin your appraisal
- Enter into negotiations with the land owner





# After Project Agreements are Issued

## Submit Project Agreement Documentation:

- Legal Description & Boundary Map for the project
- Resolution to authorize acceptance of the grant and commit to the local match.
- Signed Project Agreement after resolution is passed
- Executed Lease/Easement for the property (if applicable in TF or RP only)
- Submit through MiRecGrants under My Grants within **90 days** of issuance.



# Project Agreements

## Legal Description

- Legal Description and Boundary Map must match
- Do not submit the deed
- Include the community name, project name, and grant number

### Legal Description for TF16-0122 Southfield Township, Oakland County

Property situated in the S 1/2 of Section 1a, Township 1 North, Range 10 East, Southfield Township, Oakland County, Michigan, more particularly described as follows: Beginning at a point on the North-South centerline of said Section 18, said point being North 0° 03' 57" East, 615.0 feet from the South Quarter Corner of said Section 18; thence North 89° 56' 03" West, 101.20 feet; thence North 44° 56' 03" West, 437.41 feet; to the point of beginning. 16.23 Acres.

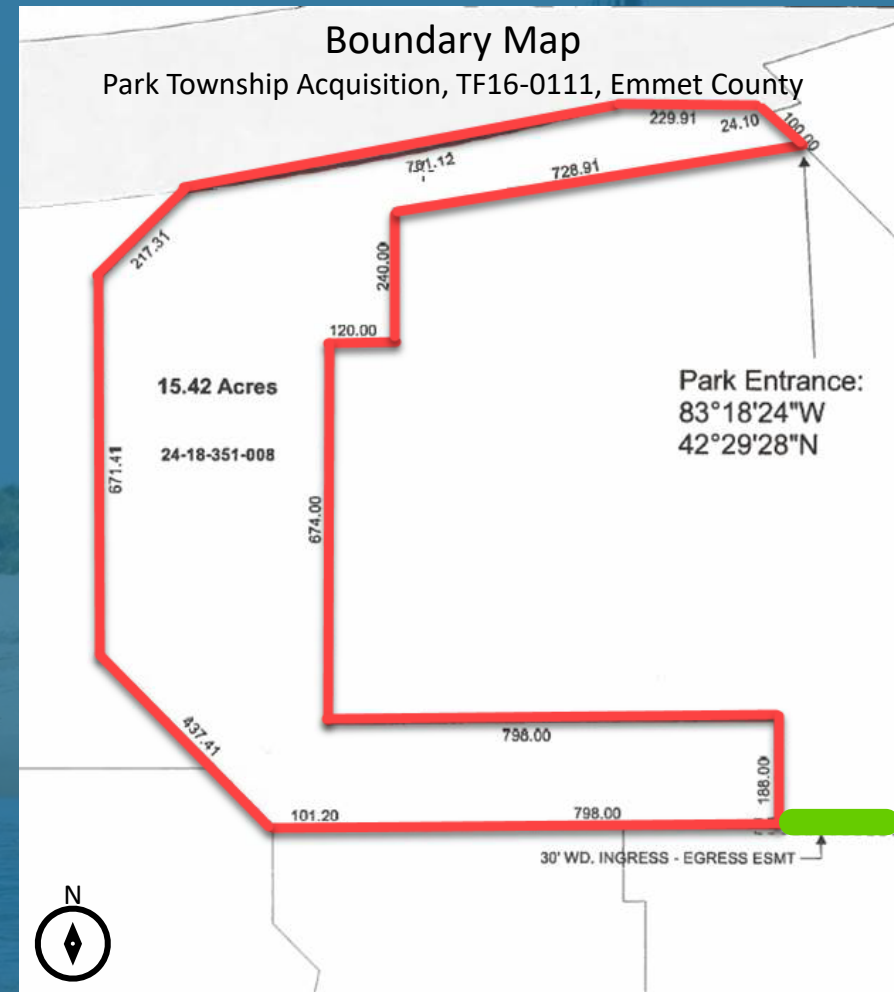




# Project Agreements

## Boundary Map:

- Label as Boundary Map or 6(f)(3) Boundary Map
- Project boundary in **RED** and easement in **GREEN**
- Dimensions or lot numbers, depending on the legal description
- Drawn to scale
- Signed and dated by Authorized Official
- Label existing and proposed facilities and nearby landmarks
- Include north arrow, project name, grant number, community name, county, total acreage



# Project Agreements

## Other project agreement documents:

- **Lease, Easement or Use Agreement** (TF or RP only) – Executed agreement providing site control from one eligible applicant to another
- **Road ROW** – Letter from MDOT, road commission, city, or village with ROW control allowing development and perpetual encumbrance in the road ROW
- **Deed** – If fee simple site control was not already obtained in the application period (ex – TF Acquisition grant from previous year)





# Project Agreement

## Certified Resolution:

- Grantee's highest governing body MUST pass a resolution to :
  - Accept the terms of the project agreement
  - Commit to matching funds
  - Maintain the site as a public outdoor recreation facility
- Resolution must be signed, dated, and stamped



Upon motion made by \_\_\_\_\_, seconded by \_\_\_\_\_, the following Resolution was adopted:

"RESOLVED, that the \_\_\_\_\_, Michigan, does hereby accept the terms of the Agreement for (insert grant number here) as received from the Michigan Department of Natural Resources (DEPARTMENT), and that the \_\_\_\_\_ does hereby specifically agree, but not by way of limitation, as follows:

1. To appropriate all funds necessary to complete the project during the project period and to provide \_\_\_\_\_ (\$\_\_\_\_\_) dollars to match the grant authorized by the DEPARTMENT.
2. To maintain satisfactory financial accounts, documents, and records to make them available to the DEPARTMENT for auditing at reasonable times.
3. To construct the project and provide such funds, services and materials as may be necessary to satisfy the terms of said Agreement.
4. To regulate the use of the facility constructed and reserved under this Agreement to assure the use thereof by the public on equal and reasonable terms.
5. To comply with any and all terms of said Agreement including all terms not specifically set forth in the foregoing portions of this Resolution."

The following aye votes were recorded: \_\_\_\_\_  
The following nay votes were recorded: \_\_\_\_\_

STATE OF MICHIGAN )  
 ) ss  
COUNTY OF \_\_\_\_\_)

I, \_\_\_\_\_, Clerk of the \_\_\_\_\_, Michigan, do hereby certify that the above is a true and correct copy of the Resolution relative to the Agreement with the Michigan Department of Natural Resources, which Resolution was adopted by the \_\_\_\_\_ at a meeting held \_\_\_\_\_.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Dated:

# Project Agreement

## Long-term Obligations:

- Must keep entire project area in ***public outdoor recreation use in perpetuity***
- Must remain open and accessible for public use at all appropriate times
- Preferential membership is prohibited
- Must receive DNR, NPS, or MNRTF Board approval before transferring ownership or control to another government entity
- Must maintain the project area and facilities so they are attractive, inviting, and safe
- Must receive DNR approval to make any significant changes to the type of recreation provided





# Project Agreements

Submit all documents in MiRecGrants within 90 days of the project agreement being issued:

- 3-Steps - **Upload, Save, Submit!**
- Only the **Authorized Official** may change the status to submit documents
- Project agreement is **fully executed** when DNR approves and signs the agreement





# PART ONE

## Project Agreement Questions?





# PART TWO

## Development Grants

# Development Projects

## Plans, Specifications and Bid Documents

- Secure all permits and regulatory approvals
- Secure services of a Prime Professional
  - Must be a Michigan licensed Engineer, Landscape Architect or Architect
  - May initiate design and engineering after January 1<sup>st</sup> and receiving award recommendation letter in MiRecGrants





# Development Projects

## Prime Professional's Authority

- Sign and Seal plans, specifications and bid documents
- Itemized cost estimate including all scope items
- Construction schedule
- Certifies documents in MiRecGrants
- Approves final construction and provides “as-builts”
- Should oversee bidding and construction





# Development Projects

## DNR Approval Requirements

- **Plan review prior to advertisement for bid**
  - Allow 30-60 day approximate review time.
- **Contractor and Vendor approvals**
  - Submit bid tabulation and recommended award.
  - Must award to the lowest responsible bidder.
  - Minimum 3 bids or quotes





# Development Projects

## Contractor/Vendor Selection

- State Requirements for Direct Purchase, Quote and Bids
  - **Under \$5,000** – Submit vendor name and manufacturer's specification sheet for DNR-approval
  - **\$5,000 to \$10,000** – Obtain quotes from at least 3 different companies
  - **Over \$10,000** – Must conduct open, advertised, competitive bidding





# Development Projects

## Required DNR Approvals Prior to Work

- Plan, specifications and bidding document approval
- Permission to bid or seek quotes for any part of the project
- Permission to award all contracts or any purchase of materials or services
- Changes to the project
- Time extensions





# Development Projects

## Project Change Orders and Amendments

- Report delays, changes in costs and requests for amendments
  - Submit written request to DNR for approval of significant changes to the project which result in a change in contract value.
  - Submit written request to DNR for extensions to the project period for cause.
  - No extensions for Land and Water grants.





# Development Project

## Reimbursement Requests

Starting with 2016 grants reimbursements processed through MiRecGrants. Paper forms still used for grants from 2015 or earlier.

Types of reimbursement requests:

- Partial Reimbursement
- Final Reimbursement
- Final Payment





# Development Project

## Reimbursement Requests

- Partial reimbursements may be requested during construction
  - First reimbursement can be submitted once 25% of the grant has been earned
  - Once actual construction costs have occurred
    - 1<sup>st</sup> reimbursement must consist of more than just engineering costs
  - Final Audit Withheld
    - 10% of grant award amount





# Development Project

## Partial Reimbursement Requests

- Reimbursement request form
  - Must be certified by both Grantee Representative & Prime Professional
- Payment Documentation
  - Copies of invoices for costs affiliated with eligible scope items
  - Proof of Payment





# Development Project

## Final Reimbursement or Final Payment

- Additional payment documents (final reimbursement only)
- Final Compliance Onsite Inspection Form
- Photograph of installed plaque
- Photographs of all scope items
- Certificate of Final Building Inspections, if applicable
- Certificate of Occupancy, if applicable
- “As Built” Site Plan
- Copy of Recorded Declaration and Notice
  - MNRTF & LWCF Grants Only





# Development Project

## Reimbursement Request Payments

- Payments for eligible expenditures will be released within 45 days of receipt of All required documentation
- Electronic Fund Transfer(EFT) - Only payment method
  - Grantee must have an active EFT Ready profile set up for payments





# Development Project

## Program Recognition:

- Recognition Plaque
  - Provided for RP
  - Purchase for LW & TF
- Public Dedication Ceremony





# PART TWO

## Development Project Questions?





# PART THREE

## Acquisition Projects

# MNRTF Acquisition Project

## Requirements:

- Exclusive use of the property for public, outdoor recreation purposes, *in perpetuity*
- Willing Seller
- Clear Title
- Mineral Rights
- Environmental Safety





# MNRTF Acquisition Project

## Closing Options: (Grantee Decision)

- Escrow closing
  - Grantee provides 100% of match amount
  - Plus 10% of eligible grant amount withheld for final audit
- Reimbursement closing
  - 100% of funds



# MNRTF Acquisition Project

## Environmental Due Diligence

### Step One

- Discuss history with owner
- Walk the site
- Review historical records

### Step Two, if necessary

- Phase I Assessment

### Step Three, if necessary

- Phase II Assessment

- Environmental review costs up to 5% of the sites market value are eligible for reimbursement.  
(Environmental cleanup not eligible)





# MNRTF Acquisition Project

## 40-Year Title History Search:

- Fee Simple Title (or easement in some cases) is required.
- Copies of all Deeds



# MNRTF Acquisition Project

## Appraisal:

Do not begin appraisal until Project Agreement has been fully executed AND Due Diligence & Title Search are approved by Grant Coordinator.



- Appraisals are submitted in MiRecGrants
- DNR reviews and approves the market value








# MNRTF Acquisition Project

## Purchasing the Property:

 STEP 1	FORMS NEEDED
Informing the Landowner of the Market Value	 Statement of <i>Just Compensation</i> (PR1908-1)








  

 STEP 2	FORMS NEEDED:
MAKING AN OFFER TO PURCHASE	 <i>OFFER TO PURCHASE</i> (PR 1908-8)   OR  <i>OFFER TO PURCHASE (WITH LAND DONATION)/ WAIVER OF JUST COMPENSATION</i> (PR 1908-2)



# MNRTF Acquisition Project

## Purchasing the Property:

 STEP 3	FORMS NEEDED:
<b>DETERMINING INCIDENTAL COSTS AND INFORMING THE LANDOWNER OF HIS/HER RIGHTS</b>	 <b><i>SELLER'S WAIVER OF REIMBURSEMENT OF INCIDENTAL EXPENSES (PR 1908-3)</i></b>
 STEP 4	FORMS NEEDED:
<b>CLOSING; RECORDING OF DEEDS</b>	 <b><i>CLOSING STATEMENT (PR 1908-9)</i></b>  <b><i>WARRANTY DEED</i></b>  <b><i>DECLARATION AND NOTICE</i></b>  <b><i>MINERAL ROYALTY INTEREST DEED</i></b>





# MNRTF Acquisition Project

## Reimbursement Package:

- Escrow closing – submit documents 60 days prior to desired closing date (required)
- Reimbursement closing – submit documents 30 days prior to scheduled closing date (optional)



# MNRTF Acquisition Project

## MICHIGAN NATURAL RESOURCES TRUST FUND - ACQUISITION PROJECT PROCEDURES

### LIST OF ITEMS TO BE INCLUDED IN A REIMBURSEMENT PACKAGE

- ☐ Original Acquisition Reimbursement Request
  - \_\_\_ Signed by you
- ☐ Original Statement of Just Compensation
  - \_\_\_ Includes your original signature and those of each of the sellers of the parcel
  - \_\_\_ Legal description must be attached
- ☐ Copy of Offer to Purchase OR Copy of Offer to Purchase (With Land Donation)/Waiver of Just Compensation
  - \_\_\_ Signed you and each of the sellers, dated after the Statement of Just Compensation is signed
  - \_\_\_ Legal description must be attached
- ☐ Copy of Seller's Waiver of Reimbursement of Incidental Expenses
  - \_\_\_ Completed by you, if required, and signed by each of the sellers
- ☐ Copy of Recorded Warranty Deed to the Property
  - \_\_\_ Must be a warranty deed
  - \_\_\_ Must not include restrictions or other conditions except those preapproved by DNR
- ☐ Copy of Recorded Declaration and Notice
- ☐ Boundary Map of the Acquired Area
- ☐ Original Recorded Mineral Royalty Interest Deed
  - \_\_\_ Must be a warranty deed
  - \_\_\_ A boundary area map needs to be included with the deed
- ☐ Copy of Title Insurance Policy (possible exception, railroad corridor)
- ☐ Copy of Closing Statement
  - \_\_\_ Signed by you and each seller
- ☐ Documentation of All Costs Incurred
  - \_\_\_ Copies of invoices
  - \_\_\_ Copies of cancelled checks. Each check copy must either be of the front and back of the check as returned by the bank, or a copy of the front of the check with a copy of the bank statement or documentation of wire transfer, showing the check has cleared
- ☐ Photo of the Installed MNRTF Plaque
  - \_\_\_ Photo is to show that the plaque has been permanently installed in a prominent location on the property
- ☐ Tax Proration Schedule and Copy of Paid Property Tax Bills
  - \_\_\_ Calculation of tax proration must be made using MNRTF method (see page 17)

## MICHIGAN NATURAL RESOURCES TRUST FUND - ACQUISITION PROJECT PROCEDURES

### LIST OF ITEMS TO BE INCLUDED IN A LAND ACQUISITION ESCROW CLOSING PACKAGE

- ☐ Original Acquisition Reimbursement Request
  - \_\_\_ Signed by you
- ☐ Original Statement of Just Compensation
  - \_\_\_ Includes your original signature and those of each of the sellers of the parcel
  - \_\_\_ Legal description must be attached
- ☐ Copy of Offer to Purchase OR Copy of Offer to Purchase (With Land Donation)/Waiver of Just Compensation
  - \_\_\_ Signed by you and each of the sellers, dated after the Statement of Just Compensation is signed
  - \_\_\_ Legal description must be attached.
- ☐ Copy of Seller's Waiver of Reimbursement of Incidental Expenses
  - \_\_\_ Completed by you, if required, and signed by each of the sellers
- ☐ Draft Warranty Deed to the Property
  - \_\_\_ Must be a warranty deed
  - \_\_\_ Must not include restrictions or other conditions except those preapproved by DNR
- ☐ Draft Declaration and Notice
- ☐ Boundary Map of the Acquired Area
- ☐ Mineral Royalty Interest Deed
  - \_\_\_ Must be a warranty deed
- ☐ Copy of Title Insurance Commitment (possible exception for railroad corridor acquisitions)
- ☐ Closing Statement
  - \_\_\_ Signed by you and each seller
- ☐ Documentation of All Costs Incurred
  - \_\_\_ Copies of invoices
  - \_\_\_ Copies of cancelled checks. Each check copy must either be of the front and back of the check as returned by the bank, or a copy of the front of the check with a copy of the bank statement or documentation of wire transfer, showing the check has cleared
- ☐ Tax Proration Schedule and Copies of Paid Property Tax Bills
  - \_\_\_ Calculation of tax proration must be made using MNRTF method (see page 17)
- ☐ Original Escrow closing agreement signed by buyer, seller and closing agent
  - \_\_\_ Closing agreement must provide the company's State of Michigan Vendor ID

Escrow closing and reimbursement packages must include a schedule that explains how the property taxes were prorated, as well as copies of all the paid tax bills. The following example will assist you in prorating taxes. The example is for real estate tax proration when the annual taxes have been prepaid (as specified in





# MNRTF Acquisition Project

## Program Recognition:

- Recognition Plaque
- Public Recognition Ceremony







Thank you!

Questions?







## Contact Information:

Phone: (517) 28-GRANT or (517-284-7268)

Program Information and Forms: [www.michigan.gov/dnr-grants](http://www.michigan.gov/dnr-grants)

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